

Legislative Fiscal Bureau

Fiscal Note

SF 300 – All Terrain Vehicles (LSB 2548 SS.1)

Analyst: Mary Beth Mellick (Phone: (515) 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – SF 300 as Amended and Passed by the Senate

Description

Senate File 300, as amended and passed by the Senate, provides several changes to the Department of Natural Resources (DNR), including but not limited to the following:

- Creates a new Code of Iowa chapter for registration and regulation of off-highway vehicles similar to registration and regulation of all-terrain vehicles.
- Creates a Special Off-Highway Vehicle Fund. Moneys in the Fund will not revert to the General Fund, and interest or earnings collected on the moneys will remain in the Fund.
- Effective July 1, 2003, requires an annual registration fee of \$20.00 for owners of off-highway vehicles used on public land, unless the off-highway vehicle is registered and titled as a motor vehicle. The fees collected will be credited to the Special Off-Highway Vehicle Fund.
- Requires expired off-highway vehicle registrations to be renewed for the same fee as an original registration, plus a penalty fee of \$5.00.
- Off-highway vehicles that are not registered are to complete the following:
 - Apply for a day pass.
 - Display a plate on the rear of the vehicle, with a numbered sticker attached to the plate.
- Requires a transferee of an off-highway vehicle to file a new application form with a fee of \$1.00. If the transferee does not file the application within 30 days, the transferee must pay a \$5.00 penalty fee.
- Requires operators of off-highway vehicles to purchase a safety certificate for a fee of \$5.00. The fees collected will be credited to the Special Off-Highway Vehicle Fund to be used for safety and educational programs.
- Requires operators of off-highway vehicles to pay a \$10.00 application fee for a security interest, of which \$5.00 will be credited to the Special Off-Highway Vehicle Fund, and the remaining \$5.00 will be retained by the counties' general fund.
- Requires operators of off-highway vehicles to possess a valid driver's license.
- Requires owners who purchase an off-highway vehicle on or after July 1, 2003, to pay a \$10.00 fee for a certificate of title, transfer of title, a duplicate, or a corrected certificate of title. Of that amount, \$5.00 will be deposited into the Special Off-Highway Vehicle Fund, and the remaining \$5.00 will be retained by the counties' general fund.
- Allows county recorders to collect a writing fee of \$1.25 for each off-highway vehicle registration.
- Amends certain scheduled violations provisions in the Code of Iowa to include off-highway vehicles.
- Provides that the Department of Natural Resources will not begin operation of an Off-Highway Vehicle Program until the following occurs:
 - The Iowa Association of Four-Wheel Drive Clubs develops and presents for the DNR's approval, a revenue-neutral five-year plan for operation of the Program. The plan will be completed and available for approval by January 1, 2004.
 - Revenues in the Off-Highway Vehicle Fund are sufficient to cover the operational costs of the Off-Highway Vehicle Program.

- “Operation of the Program” includes, but is not limited to, the purchasing of land for off-highway vehicles, initiating a safety certificate program, and employing part-time or full-time employees to administer the Off-Highway Vehicle Program.
- Requires that fees collected by the DNR from the registration of off-highway vehicles and deposited into the Off-Highway Vehicle Fund, accumulate without expenditure, other than for the Department’s expenses to administer the Fund, until the Department begins operation of the Off-Highway Vehicle Program.

Assumptions

1. There are currently no laws or regulations in place in Iowa for off-highway vehicles.
2. The Department of Natural Resources estimates there are 5,000 off-highway vehicles in Iowa. The number of off-highway vehicles currently registered and titled as motor vehicles is unknown.
3. There are approximately 350 members in the Iowa Association of Four-Wheel Drive Clubs. Each member owns at least one off-highway vehicle.
4. Upon enactment of SF 300, as amended and passed by the Senate, every member of the Iowa Association of Four-Wheel Drive Clubs will pay the annual registration fee of \$20.00. Registration fees collected from members will be approximately \$7,000 annually.
5. The number of non-members who will pay the annual registration fee, including out-of-state off-highway vehicle owners, is unknown.
6. Upon implementing the Off-Highway Vehicle Program, expenditures to the DNR will total approximately \$550,000 in the first year, and approximately \$225,000 in the second year. Expenditures include the following:

First Year:

- Salaries for recreational safety officers, law enforcement, and a program administrator: \$130,000
- Administrative support, including record keeping, rule making, data input, and decals: \$45,000
- Capital outlay, including land acquisition and liability insurance: \$175,000
- Environmental impact study: \$200,000

Second Year:

- Salaries for recreational safety officers, law enforcement, and a program administrator: \$130,000
 - Administrative support, including record keeping, rule making, data input, and decals: \$45,000
 - Capital outlay, including land acquisition and liability insurance: \$50,000
7. Upon enactment of SF 300, as amended and passed by the Senate, off-highway vehicle registrations are expected to increase.
 8. Costs to the counties are estimated to be minimal.

Correctional Impact

Creation of a new offense carries the potential for a correctional impact on court caseloads and the use of corrections resources. It is reasonable to expect an increase in misdemeanor convictions under SF 300, as amended and passed by the Senate, however, there is no readily available information with which to estimate this increase.

Fiscal Impact

Special Off-Highway Vehicle Fund Department of Natural Resources

Prior to implementation of an Off-Highway Vehicle Program, the estimated fiscal impact of SF 300, as amended and passed by the Senate, regarding the cost associated with DNR

administering the Fund is unknown. However, it is anticipated that the administrative cost to administer the Fund, prior to Program implementation, would be minimal. Fee revenues to the Fund are estimated to be approximately \$7,000 annually. The funds will be used to help offset costs associated with administration of the Fund until the Department begins operation of the Off-Highway Vehicle Program.

First-year DNR expenditures to operate the Off-Highway Vehicle Program will be approximately \$550,000. Those expenditures include salaries, administrative costs, capital outlay, and an environmental impact study. Second-year expenditures will total approximately \$225,000 for salaries, administrative costs, and capital outlay. As additional operators of off-highway vehicles contribute to the Off-Highway Vehicle Fund, additional fee revenue will be collected and deposited in the Fund. When revenues in the Fund are sufficient to cover the operational costs of the Off-Highway Vehicle Program, the DNR will begin operation of the Program.

Additional moneys collected for day passes, registration plates, and fines are unknown. Additional moneys collected for safety certificates, security interests, transfers, titles, and penalties are expected to be minimal.

Counties' General Fund

Moneys collected for writing fees, security interests, and titles are expected to be minimal.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Natural Resources

/s/ Dennis C Prouty

April 25, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
